

Message Text

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43

ACTION ARA-20

INFO OCT-01 AF-10 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 SAM-01 EB-11 COME-00 FEA-02 TRSE-00 INT-08

CIEP-02 OMB-01 FPC-01 DRC-01 IGA-02 /137 W

----- 081630

P R 151950Z FEB 74

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC PRIORITY 6062

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LAGOS

AMEMBASSY NASSAU

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTODOMINGO 143

UNCLAS PORT OF SPAIN 0409

E.O. 11652: N/A

TAGS: ENRG PINT PFOR TD

SUBJECT: ENERGY: PRIME MINISTER ANNOUNCES POSSIBLE MAJOR EXPANSION IN
TRINIDAD'S OIL INDUSTRY

REF: PSO 403; POS 147; POS 006; POS 1663 (ALL NOTAL)

SUMMARY

IN HIS FOURTH RECENT ADDRESS ON THE ENERGY SITUATION (REFTELS),
PRIME MINISTER WILLIAMS REVIEWED THE STATUS OF TRINIDAD'S
WORLD-RANGING "OIL MISSIONS," AND PROPOSED THAT SOME OF
TRINIDAD'S WINDFALL PETROLEUM REVENUE BE USED TO PURCHASE
WORLD BANK BONDS ISSUED LOCALLY (SEPTELS). HE ALSO PRAISED
LOCAL OIL COMPANIES FOR HAVING INCREASED DOMESTIC CRUDE
PRODUCTION, AND SAID THAT THE GOVT WAS REVIEWING RECENT KUWAITI,
NIGERIAN AND VENEZUELAN INITIATIVES IN ORDER TO DEVELOP A
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TRINIDADIAN PHILOSOPHY OF LOCAL PARTICIPATION IN THE OIL INDUSTRY.

FINALLY, WILLIAMS ANNOUNCED THAT JOINT-VENTURE NEGOTIATIONS ARE UNDERWAY WITH THE U.S.-OWNED TESORO PETROLEUM COMPANY TO CONSTRUCT A NEW 300,000 BBL/DAY REFINERY, A PETRO-CHEMICAL COMPLEX, AND TO UNDERTAKE AN AGGRESSIVE PROGRAM OF PETROLEUM EXPLORATION AND DEVELOPMENT. END SUMMARY.

1. IN HIS FEBRUARY 14 SPEECH TO THE NATION (POS 403), PRIME MINISTER ERIC WILLIAMS PRAISED TWO OIL COMPANIES--TEXACO AND TRINIDAD-TESORO--FOR COOPERATING WITH THE GOTT BY INCREASING DOMESTIC CRUDE PRODUCTION. HE SAID THAT THESE FIRMS, BY REACTIVATING CLOSED-DOWN WELLS AND BY DRILLING NEW ONES, HAD PRODUCED AN ADDITIONAL 65,000 BARRELS DURING DECEMBER 1973 AND JANUARY 1974. WILLIAMS ALSO SAID THAT THE GOTT AND LOCAL OIL COMPANIES ARE TAKING STEPS TO DEVELOP INDUSTRIAL AREAS AT POINT LISAS AND POINT FORTIN, INCLUDING THE PROVISION OF WORKERS' HOUSING AND TECHNICAL TRAINING PROGRAMS FOR NEW ENTRANTS INTO THE INDUSTRIAL LABOR FORCE.

2. THE PRIME MINISTER ANNOUNCED THAT THE U.S.-OWNED TESORO PETROLEUM COMPANY HAS MADE A FORMAL PROPOSAL TO THE GOTT TO BUILD A NEW 300,000 BBL/DAY REFINERY AT POINT FORTIN, PLUS A PETROCHEMICAL COMPLEX COMPRISING 13 SPECIFIC PLANTS, AND TO EMBARK UPON AN AGGRESSIVE PROGRAM OF PETROLEUM EXPLORATION AND DEVELOPMENT, BOTH ONSHORE AND OFFSHORE. ACCORDING TO WILLIAMS, TESORO HAS PLEDGED TO ASSOCIATE THIS PROPOSAL WITH ITS EXISTING JOINT VENTURE WITH THE GOTT--THE TRINIDAD-TESORO PETROLEUM COMPANY, LTD. THE LATTER FIRM IS 50.1 PERCENT OWNED BY THE GOTT, AND THE PRIME MINISTER INFERRED THAT THIS WOULD MEAN MAJORITY PARTICIPATION BY THE GOTT IN THE ENTIRE TESORO PROPOSAL, THE TOTAL COST OF WHICH HE DECLINED TO SPECIFY.

3. WILLIAMS SAID THAT THE RECENTLY-FORMED GOTT ENERGY SECRETARIAT (POS 147) IS STUDYING THE SUPPLY AND PRICING ("ESPECIALLY PRICING") OF TRINIDAD'S OFFSHORE NATURAL GAS RESERVES FOR UTILIZATION BY ENERGY-RELATED INDUSTRIES. THE SECRETARIAT WILL TRY TO DEVELOP A TRINIDADIAN PHILOSOPHY OF LOCAL PARTICIPATION IN THE OIL INDUSTRY. THE PRIME MINISTER SAID THAT THE GOTT'S CONSIDERATIONS WILL REFLECT THE RECENT KUWAITI ANNOUNCEMENT

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OF 60-40 GOVERNMENT PARTICIPATION IN THE PRODUCTION, REFINING, LIQUEFACTION, AND TRANSPORT OF KUWAIT PETROLEUM RESOURCES, AS WELL AS NIGERIA'S PROPOSED 51 PERCENT PARTICIPATION WITH SHELL AND BP IN REFINING, AND THE NIGERIAN POLICY OF GRADUALLY INCREASING ITS PARTICIPATION IN PRODUCTION FROM 35 TO 51 PERCENT. THE GOTT HAS ALSO TAKEN NOTE OF RECENT PRESS STORIES TO THE EFFECT THAT VENEZUELA WILL ADVANCE THE 1983 DATE FOR REVISION OF OIL CONCESSIONS TO THE GOV.

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